



House of Representatives

File No. 865

General Assembly

January Session, 2001

(Reprint of File No. 104)

House Bill No. 6175
As Amended by House Amendment
Schedules "A", "B" and "C"

Approved by the Legislative Commissioner
June 2, 2001

AN ACT CONCERNING ENERGY EFFICIENT LIGHTING PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 16-245m of the general statutes is repealed and the following
2 is substituted in lieu thereof:

3 (a) On and after January 1, 2000, the Department of Public Utility
4 Control shall assess or cause to be assessed a charge of three mills per
5 kilowatt hour of electricity sold to each end use customer of an electric
6 distribution company to be used to implement the program as
7 provided in this section for conservation and load management
8 programs but not for the amortization of costs incurred prior to July 1,
9 1997, for such conservation and load management programs.

10 (b) The electric distribution company shall establish an Energy
11 Conservation and Load Management Fund which shall be held
12 separate and apart from all other funds or accounts. Receipts from the
13 charge imposed under subsection (a) of this section shall be deposited
14 into the fund. Any balance remaining in the fund at the end of any
15 fiscal year shall be carried forward in the fiscal year next succeeding.

16 Disbursements from the fund by electric distribution companies to
17 carry out the plan developed under subsection (d) of this section shall
18 be authorized by the Department of Public Utility Control upon its
19 approval of such plan.

20 (c) The Department of Public Utility Control shall appoint and
21 convene an Energy Conservation Management Board which shall
22 include representatives of: (1) An environmental group knowledgeable
23 in energy conservation program collaboratives; (2) the Office of
24 Consumer Counsel; (3) the Attorney General; (4) the Department of
25 Environmental Protection; (5) the electric distribution companies in
26 whose territories the activities take place for such programs; (6) a state-
27 wide manufacturing association; (7) a chamber of commerce; (8) a
28 state-wide business association; (9) a state-wide retail organization;
29 and (10) residential customers. Such members shall serve for a period
30 of five years and may be reappointed.

31 (d) The Energy Conservation Management Board shall advise and
32 assist the electric distribution companies in the development and
33 implementation of a comprehensive plan, which plan shall be
34 approved by the Department of Public Utility Control, to implement
35 cost-effective energy conservation programs and market
36 transformation initiatives. The commissioner shall not disperse any
37 funds from the Energy Conservation and Load Management Fund for
38 any proposal or project not in compliance with the comprehensive
39 plan approved pursuant to this subsection. Programs included in the
40 plan shall be screened through cost-effectiveness testing which
41 compares the value and payback period of program benefits to
42 program costs to ensure that programs are designed to obtain energy
43 savings whose value is greater than the costs of the programs. Program
44 cost-effectiveness shall be reviewed annually, or otherwise as is
45 practicable. If a program is determined to fail the cost-effectiveness test
46 as part of the review process, it shall either be modified to meet the test
47 or shall be terminated. Programs included in the plan may not unfairly
48 compete with private suppliers of energy efficient lighting products, as
49 determined by the department. On or before January 31, 2001, and

50 annually thereafter until January 31, 2006, the board shall provide a
51 report to the joint standing committees of the General Assembly
52 having cognizance of matters relating to energy and the environment
53 which documents expenditures, fund balances and evaluates the cost-
54 effectiveness of such programs conducted in the preceding year. Such
55 programs may include, but not be limited to: (1) Conservation and
56 load management programs; (2) research, development and
57 commercialization of products or processes which are more energy-
58 efficient than those generally available; (3) development of markets for
59 such products and processes; (4) support for energy use assessment,
60 engineering studies and services related to new construction or major
61 building renovation; (5) the design, manufacture, commercialization
62 and purchase of energy-efficient appliances and heating, air
63 conditioning and lighting devices; (6) program planning and
64 evaluation; and (7) public education regarding conservation. Such
65 support may be by direct funding, manufacturers' rebates, sale price
66 and loan subsidies, leases and promotional and educational activities.
67 Any other expenditure by the collaborative shall be limited to
68 retention of expert consultants and reasonable administrative costs
69 provided such consultants shall not be employed by, or have any
70 contractual relationship with, an electric distribution company. Such
71 costs shall not exceed five per cent of the total revenue collected from
72 the assessment.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: Department of Public Utility Control

Municipal Impact: None

Explanation

State Impact:

Specifying that energy conservation programs operated by the electric distribution companies, and funded through a 0.3 cents per kilowatt hour assessment on customer bills, can not unfairly compete with the private suppliers of energy efficient lighting products, has no fiscal impact on the state or municipalities. Prohibiting the Department of Public Utility Control from approving any proposal that has not been approved by the Energy Conservation and Load Management Board, and prohibiting the disbursement of funds from the Energy Conservation and Load Management Fund for proposal or projects not in compliance with the comprehensive plan approved pursuant to the act, results in no fiscal impact to the state or municipalities.

House "A" "B" and "C" make a variety of changes which result in no fiscal impact.

OLR Amended Bill Analysis

HB 6175 (as amended by House "A," "B," and "C")*

AN ACT CONCERNING ENERGY EFFICIENT LIGHTING PROGRAMS.**SUMMARY:**

By law, Connecticut Light & Power and United Illuminating must develop and implement energy conservation programs under a comprehensive plan that is subject to Department of Public Utility Control (DPUC) approval. The law establishes a board to help the companies develop and implement their plans. This bill bars:

1. a plan from including programs that DPUC determines compete unfairly with private suppliers of energy efficient lighting products,
2. DPUC from approving any proposal that was not approved by the board, and
3. DPUC from disbursing any money from the Energy Conservation and Load Management Fund (ECLMF) for a proposal or project that does not comply with a DPUC-approved plan.

By law, the ECLMF is funded by customers through a charge of 0.3 cents per kilowatt-hour. The board consists of representatives of affected state agencies and consumer groups.

*House Amendment "A" slightly modifies the lighting provision.

*House Amendment "B" bars DPUC from approving proposals not approved by the board.

*House Amendment "C" adds the disbursement restriction.

EFFECTIVE DATE: October 1, 2001

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Report

Yea 16 Nay 0